

Financial Results
For the Fiscal Year 2017 ending January 31, 2017

March 15, 2017

Balance Sheets (Consolidated)

	Thousands of Yen	
	31 Jan., 2017	31 Jan., 2016
Assets		
Current assets:		
Cash & Cash equivalents	3,823,547	1,984,469
Accounts receivable	154,089	124,457
Advance payments-trade	350,375	44,774
Deferred tax assets	55,861	54,116
Income taxes receivable	-	168,179
Consumption taxes receivable	-	176,640
Other	66,299	202,486
Allowance for doubtful accounts	(756)	(33,285)
Total current assets	4,449,417	2,721,840
Noncurrent assets:		
Tangible fixed assets		
Buildings (net)	8,065	24,734
Tools, furniture and fixture (net)	17,249	24,706
Total tangible fixed assets	25,314	49,441
Intangible fixed assets		
Goodwill	452,487	486,637
Other	27,671	13,449
Total intangible assets	480,159	500,087
Investments and other assets		
Stocks of subsidiaries and affiliates	17,820	-
Deferred tax assets	13,934	9,462
Other	93,713	34,084
Total investments and other assets	125,468	43,546
Total noncurrent assets	630,942	593,075
Total assets	5,080,360	3,314,915
Liabilities		
Current liabilities:		
Accounts payable	145,975	238,384
Income taxes payable	622,632	-
Accrued consumption taxes	121,015	-
Deposits received	940,135	980,156
Provision for point card certificates	36,025	23,255
Other	19,654	24,818
Total current liabilities	1,885,439	1,266,614
Total liabilities	1,885,439	1,266,614
Net assets		
Shareholders' equity:		
Capital stock	381,903	381,903
Capital surplus	391,474	391,474
Retained earnings	2,830,286	1,686,846
Treasury stock	(415,380)	(415,380)
Total shareholders' equity	3,188,283	2,044,843
Accumulated other comprehensive income:		
Deferred gains or losses on hedges	5,356	3,131
Foreign currency translation adjustment	978	-
Total Accumulated other comprehensive income	6,335	3,131
Subscription rights to shares	301	326
Total net assets	3,194,920	2,048,301
Total liabilities and net assets	5,080,360	3,314,915

Statements of Income (Consolidated)

	Thousands of Yen	
	FY 2017	FY 2016
Revenue	4,147,824	2,858,336
Cost of revenue	663,988	490,055
Gross profit	3,483,835	2,368,281
Selling, general and administrative expenses	1,715,157	2,148,610
Operating profit	1,768,678	219,670
Non-operating revenues:		
Interest income	575	2,039
Foreign exchange gains	2,115	455
Interest on refund	3,126	-
Other	172	351
Total non-operating revenues	5,989	2,846
Non-operating expenses:		
Equity in losses of affiliates	11,152	5,320
Other	101	207
Total non-operating expenses	11,254	5,528
Ordinary profit	1,763,414	216,988
Extraordinary income:		
Gain on change in equity	28,294	-
Refunded consumption taxes	-	93,993
Other	1,088	-
Total extraordinary income	29,383	93,993
Extraordinary losses:		
Loss on retirement of noncurrent assets	-	937
Impairment loss	15,232	2,179
Loss on valuation of investment securities	-	453,417
Provision of allowance for doubtful accounts	32,404	33,285
Total extraordinary losses	47,637	489,819
Net profit (loss) before taxes	1,745,160	(178,837)
Income tax, inhabitants tax and enterprise tax	608,978	948
Income taxes for prior periods	-	38,086
Income tax adjustments	(7,258)	(37,445)
Total corporate taxes	601,719	1,589
Net profit (loss)	1,143,440	(180,426)
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	1,143,440	(180,426)

Statements of Comprehensive Income

	Thousands of Yen	
	FY 2017	FY 2016
Income before minority interests	1,143,440	(180,426)
Other comprehensive income:		
Valuation difference on available-for-sale securities	-	(43,379)
Deferred gains or losses on hedges	2,225	3,019
Foreign currency translation adjustment	978	(188)
Other comprehensive income	3,204	(40,548)
Comprehensive income	1,146,644	(220,975)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,146,644	(220,975)
Comprehensive income attributable to minority interests	-	-

Statements of Cash Flows

	Thousands of Yen	
	FY 2017	FY 2016
Cash flows from operating activities		
Net profit before taxes	1,745,160	(178,837)
Depreciation and amortization	19,892	12,702
Impairment losses	15,232	2,179
Amortization of goodwill	34,150	25,612
Increase (decrease) in allowance for doubtful accounts	33,160	33,285
Increase (decrease) in provision for point card certificates	12,769	17,447
Interest and dividend income	(474)	(2,039)
Loss (gain) on valuation of securities	-	453,417
Loss (gain) in foreign exchange	284	(680)
Equity in (earnings) losses of affiliates	11,152	5,320
Loss on disposal of fixed assets	-	937
Loss (gain) on change in equity	(28,294)	-
Gain on reversal of subscription rights to shares	(24)	-
Decrease (increase) in notes and accounts receivable-trade	(29,702)	(49,812)
Decrease (increase) in inventories	998	(968)
Increase (decrease) in accounts payable-other	(99,023)	171,586
Increase (decrease) in deposits received	(166,848)	(62,130)
Other	151,920	(457,037)
Sub total	1,700,353	(29,017)
Interest and dividends received	474	2,039
Income taxes paid	172,814	(505,846)
Net cash provided by (used in) operating activities	1,873,642	(532,824)
Cash flows from investing activities		
Payments into time deposits	-	(900,000)
Proceeds from withdrawal of time deposits	300,000	1,200,000
Purchase of property, plant and equipment	(4,285)	(37,314)
Purchase of investment securities	-	(44,160)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	27,351	(513,701)
Purchase of stocks of subsidiaries and affiliates	(679)	-
Payments for lease and guarantee deposits	(58,751)	-
Other	-	(6,405)
Net cash provided by (used in) investing activities	263,636	(301,582)
Cash flows from financing activities		
Proceeds from issuance of subscription rights to shares	-	75
Purchase of treasury stock	-	(415,604)
Other	-	(43)
Net cash provided by (used in) financing activities	-	(415,573)
Effect of exchange rate changes on cash and cash equivalents	1,798	680
Net increase (decrease) in cash and cash equivalents	2,139,077	(1,249,299)
Cash and cash equivalents at the beginning of the period	1,684,469	2,933,769
Cash and cash equivalents at the end of the period	3,823,547	1,684,469